

**Minutes
Special Meeting
July 28th, 2020**

The Village of Capitan Board of Trustees met in a Special Meeting via Telephone Conference and in person on Tuesday, July 28th, 2020 at the Village Hall in Capitan, New Mexico at 6:30 PM.

Mayor Ron Lowrance asked for a moment of silence and led the assembly in the Pledge of Allegiance. Mayor Lowrance called the meeting to order at 6:33 PM.

Roll Call: Mayor Lowrance - present, Trustee Schmitz – present, Trustee Kearns – present, Trustee Shearer – present, Trustee Johnson – present. Laura McInnes-Village Clerk, Megan Holm-Finance Officer, and J. Leinneweber-Administrative Assistant were also present. A list of others in attendance is attached.

Item #1 on the Agenda: Approval of the Agenda.

Trustee Shearer moved Approval of the Agenda. Trustee Johnson seconded the motion. Roll Call: Trustee Shearer – yes, Trustee Johnson – yes, Trustee Kearns – yes, Trustee Schmitz – yes.

Item #2 on the Agenda: Public Input. (Agenda Items Only).

A Member of the Public stated that they are not familiar with the acronym LGRFP and don't know what it means. She thought the acronyms should be spelled out on the Agendas because they're so vague.

Item #3 on the Agenda: Mayor and Trustee Comments.

Trustee Kearns asked if it was warm in the meeting room?

(Indiscernible)

Trustee Kearns made comments regarding the creation of a Chamber of Commerce for the Village and that we haven't been able to move forward with that at this. He remembered having a conversation with someone from Ruidoso in which she had offered a page for the Village of Capitan on their Chamber website. Trustee Kearns thought it would be a good idea to revisit having a page for the Village of Capitan connected to that website. At the same time, this is by no means is a substitute for a Chamber of Commerce for the Village. In the mean time he feels strongly that the economy of this town is connected to tourism, It's just outside of Lincoln, just a way from Fort Stanton. They have all heard this from him before. He really thinks that's not a bad idea. He was trying to remember that person's name. Laure believed it was Becky. The Mayor agreed her name was Becky. Trustee Kearns thinks they really ought to take her up on that and start (indiscernible) vacationing and planning.

Trustee Schmitz remembered talking about that too. She asked if they are going to charge us for that page? Laura replied, No.

(Indiscernible)

The Mayor said what Kimble and he talked to about, they met her at Lincoln County Days up in Santa Fe. Trustee Kearns agreed. The Mayor continued that she had invited them over to talk and she said she'd be willing to give us a tab on her main deal for the Capitan with (indiscernible).

Item #3 on the Agenda: Mayor and Trustee Comments. (continued)

(The Mayors comments continued) Anyway, there were people involved in the town trying to start a Chamber of Commerce and it's on the ground and it kinda had a little I don't know, she stole the meeting pretty good, didn't she? The Mayor said it was really up to you all, he has no problems with it. Free publicity, free advertisement is free advertisement.

Trustee Schmitz asked when does that agreement (indiscernible) because right now she feels a little bit on shaky ground with (indiscernible). Trustee Kimble said (indiscernible) because we failed to follow through on that. They would want to use their own web master so the pages were beautiful. The Mayor agreed. Trustee Kearns went on to say he's sure there would be some fee for the additional and probably some web master fee but all that stuff is cut and paste. Probably going to be some fee for her web master work and then to keep it up on the internet is dollars per month, like a few dollars per month. (Indiscernible) how they could get that started. He'd like to see it.

Trustee Shearer asked shouldn't that be funded through Lodgers Tax? Trustee Kearns replied they could. Trustee Shearer asked isn't that what Lodgers Tax is for? Trustee Kearns replied he's not sure what to budget there. Trustee Shearer said it's not very big (indiscernible) parade posters this year. She asked if Lodgers Tax was used for that, she thought we did for advertising. Laura replied if not Lodger Tax it just came out of the General Fund and we've had no applicants for over a year on Lodgers Tax. If you don't use it in two years you have to send it to the State. It's got like \$4,000? It's in the Budget. The Budget has a balance and there has been nothing for over a year, applied for. Trustee Schmitz said it's good to look into it. Laura replied the Lodgers Taxes?

(indiscernible)

Trustee Kearns said that's the way (Indiscernible) Take an idea (Indiscernible)

(Indiscernible)

The Mayor differed to Trustee Shearer and she said she didn't have anything other than what they discuss on budget. Then the Mayor called on Trustee Johnson who said same here.

The Mayor then asked Trustee Kearns if he wanted to be the lead on that, touch base with her, see what it all will take? Trustee Kearns replied he will visit with her see what we need to submit to her and then back with him and and...The Mayor said they would get this cost and put it on the Agenda and see what everybody thinks. Trustee Shearer asked if they should just put it on the Agenda for discussion in August. The Mayor said they could do that.

The Mayor said they started today on a new project so it's going well, we've got signs up. Steve was on the back hoe so the Mayor didn't have time to talk to him about it. That's all he had.

Trustee Schmitz said she did read all those Minutes with the meeting that Steve had. Real interesting. She thanked him for getting all that done.

Item #4 on the Agenda: Consent Agenda - Approval of Minutes: Special Meeting – July 21st, 2020.

Trustee Shearer moved to Approve Consent Agenda - Approval of Minutes: Special Meeting – July 21st, 2020. Trustee Schmitz seconded the motion. The Mayor asked for a Roll Call. Roll Call: Trustee Shearer – yes, Trustee Schmitz – yes, Trustee Johnson – yes, Trustee Kearns – yes.

Item #5 on the Agenda: Discussion – Prioritize List for Infrastructure Capital Improvement Plan (ICIP) 2022 -2026.

Trustee Shearer moved for Approval (indiscernible) Prioritize List for Infrastructure Capital Improvement Plan (ICIP) 2022 -2026. Trustee Schmitz seconded the motion. The Mayor asked for discussion. Steve said he just had the following comment for the ICIP items. We talked about the Lagoon Liner, and they are still on there. Laura informed him that they took them off after he and she talked. They took them off and replaced them with the Water Storage Tanks Rehabilitation. Steve said he didn't see a copy of that. The Mayor said that's ok and asked for a Roll Call. Roll Call: Trustee Shearer – yes, Trustee Schmitz – yes, Trustee Kearns – yes, Trustee Johnson – yes.

Item #6 on the Agenda: Discussion/Action – Approval of Resolution 2020-21 – Participation in Local Government Road Fund (LGRF) Co-op Agreement CN L200518 (Main Road).

Trustee Shearer moved Approval of Resolution 2020-21 – Participation in Local Government Road Fund (LGRF) Co-op Agreement CN L200518 (Main Road). Trustee Johnson seconded the motion. The Mayor asked for discussion. There was no discussion. The Mayor asked for a Roll Call. Roll Call: Trustee Shearer – yes, Trustee Johnson – yes, Trustee Kearns – yes, Trustee Schmitz – yes.

Item #7 on the Agenda: Discussion/Action – Approval of Resolution 2020-22 – Participation in Local Government Road Fund (LGRF) Request for Match Waiver Program for Co-op Agreement CN L200518 (Main Road).

Trustee Shearer moved for Approval of Resolution 2020-22 – Participation in Local Government Road Fund (LGRF) Request for Match Waiver Program for Co-op Agreement CN L200518 (Main Road). Trustee Schmitz seconded the motion. The Mayor asked for discussion. There was no discussion. The Mayor asked for a Roll Call. Roll Call: Trustee Shearer – yes, Trustee Schmitz – yes, Trustee Kearns – yes, Trustee Johnson – yes.

Item #8 on the Agenda: Discussion/Action – Approval of Resolution 2020-23 – Participation in Local Government Road Fund (LGRF) Co-op Agreement CN L200492 (North View Dr.).

Trustee Shearer moved Approval of Resolution 2020-23 – Participation in Local Government Road Fund (LGRF) Co-op Agreement CN L200492 (North View Dr.). Trustee Johnson seconded the motion. The Mayor asked for discussion. There was no discussion. The Mayor asked for a Roll Call. Roll Call: Trustee Shearer – yes, Trustee Johnson – yes, Trustee Kearns – yes, Trustee Schmitz – yes.

Trustee Schmitz said she was sorry. The Mayor asked did she need to go back? Trustee Schmitz replied on 7. She asked if they had already done 7? The Mayor replied yes. Trustee Schmitz asked if she could just ask Laura a quick question (indiscernible) memory? Trustee Schmitz asked Laura what is the Match Waiver Program for Co-op Agreement? Laura replied the Match Waiver is a first come, first serve on unexpended funds where they waive our 25% match and they fund it, so you get 100% funding instead of a 75 but it's a first come, first serve thing. Trustee Schmitz thanked Laura, and said she had refreshed her memory. Laura said it's a good thing, we've gotten it before and it really helped the Street Department with their budget.

Item #9 on the Agenda: Discussion/Action – Approval of Resolution 2020-18– Authorizing Budgetary Adjustments and Revisions.

The Mayor went to Item #10 on the Agenda and asked for a vote.

(Indiscernible)

The Mayor came back to Item #9. Trustee Shearer moved for discussion, Approval of Resolution 2020-18– Authorizing Budgetary Adjustments and Revisions. Trustee Schmitz seconded the motion.

Trustee Shearer asked if they get the explanation of what (indiscernible). It's in the packet, as she understands it a budget adjustment for last year's budget. Megan Replied yes. Trustee Shearer continued, revenues came in at \$33,755 less than anticipated? Megan replied they had enough revenue but the Street Department's expenditures went over their budget so we're just going to move funds from the General Fund to cover the Street's expenditures. Laura said they were under budget from the beginning of the year. Trustee Shearer said ok and when they look at that 4th Quarter Report is that what they're seeing? Laura replied that it should be, yes.

(Indiscernible)

Laura continued that it's showing on the Recap. Trustee Shearer said she was looking at the 4th Quarter, the email that was sent to them, with the 4th Quarter Report in the Local Government Budgeting Software. Megan replied, yes. Laura asked if she gave them just the Recap for the 4th Quarter or the whole thing? Megan said she thought she gave them all of it. Laura said she sees it. Trustee Shearer asked when they look at revenues in the Street Department, help her understand exactly what she is seeing there, on the 4th Quarter, the one that was emailed. Megan replied yes, in total revenues the Street Department only made \$174,504. Trustee Shearer said she was looking, a report that says taxes local effort original budget was \$26,000 zero adjustments the adjustment was \$26,000 year to date is \$153,000, which shows an overage \$127,000. Megan replied she was looking underneath that number, at the \$174, at the revenues totaled. Trustee Shearer said ok, you're looking at the \$174 year to date revenues total. Megan replied yes ma'am, and then the expenditures underneath. The total expenditures were at \$222,578.

(Indiscernible)

Trustee Shearer said this first line is what is throwing her. Trustee Johnson said ok that's just all the revenues. Trustee Shearer said well how is it we budgeted \$26,000 and the year to date is \$153,557 over and yet were over budgeted...

(Indiscernible)

Laura said RPF 500s were calculated incorrectly through most of the last budgeted year, and they were under calculated, they were having to correct that every quarter and those have been straightened out. For the Year's reported to the State, it was under calculated.

Trustee Shearer confirmed the revenue was under calculated. Laura replied yes, she doesn't know how because they all read the same website with the same information but yes.

Trustee Johnson (indiscernible) all the taxes. Megan replied yes.

Trustee Shearer said she was just trying to match up what she is seeing on this 4th Quarter Report with the adjustment they are having to make here. Megan replied it was because the expenditures were more than the revenue.

(indiscernible)

Trustee Shearer said, so total revenue...ok but then you got (indiscernible) grants you've got \$536,000 originally budgeted, you've got adjusted 536 and then you have year to date zero.

Item #9 on the Agenda: Discussion/Action – Approval of Resolution 2020-18– Authorizing Budgetary Adjustments and Revisions. (continued)

Laura agreed, because that is grant money coming in and then expended out for the year. Trustee Johnson said ok so that is grant money. Laura replied, yes so that should be a zero.

Trustee Shearer asked, so how did we only have \$26,000 in the budget? Megan replied, because that is the amount that should probably have been given to Municipal Street out of the taxes that we get each month, but we were giving them more because of how it was being calculated. Laura agreed, because they get a certain amount of, two Gross Receipts increments were passed in the 90s. One, all of it goes to Street and the other is divided in 3rds between Water, Waste Water and Street. Megan agreed.

Trustee Shearer asked, is our Budget not reflecting actuals? Why is our Budget this far off? Megan replied, because this was last year's Budget and she couldn't tell her, she didn't make this Budget.

One of the Trustees asked if they were estimates.

(Indiscernible)

Laura said, so these increments were, not the environmental, but these two were calculated correctly in the Budget last year. Megan didn't build this Budget, she started in March (indiscernible)

Trustee Shearer asked, so they were put in the wrong category? Laura replied, well they just weren't calculated properly to put into their budget. (Indiscernible) In the past none of these were ever calculated into their budgets, these increments.

(Indiscernible)

Trustee Johnson (indiscernible), but an explanation of the revenues being \$127,000 higher than budgeted, just briefly. Laura responded, in our Small Cities Assistance was way larger this year than was expected. Trustee Johnson said, Ok. Trustee Shearer asked, did that go into Municipal Streets? Laura replied, No. Trustee Johnson said the \$33,000 that they're looking at, the \$37,000 that was to cover an over expenditure somewhere in the Street Department, an adjustment? Trustee Shearer said that this is the 4th Quarter Report and she assumes they're looking at the \$33,000 is going to be, she asked to be shown where the \$33,000 balances out. Trustee Johnson said to get into Street (indiscernible).

Trustee Shearer said she was happy to move the money in to Street because she thinks it needs it. She is just trying to understand (indiscernible) in the Budget or if they're just setting figures and then they're just plugging money in (indiscernible). Which is not budgeting. Laura agreed.

Trustee Johnson said she is looking for the Street expenditures. Trustee Shearer (indiscernible) there is Assets, here is Revenues, here is Expenditures. (Indiscernible) other financing sources. Trustee Johnson said she didn't bring that. Our last meeting we approved the \$33,000 to go from, help me here. Trustee Shearer said General to Street. Trustee Johnson repeated General to Street. Trustee Shearer said but then they got this Report after their last meeting and she was starting to go through it, she is trying to understand why some their items are way over and why some of 'em are way under, leading her to believe that again those (indiscernible) purchase orders, encumbering the funds ahead of time, they would be encumbering each line item and when they get to that limit (indiscernible) do some transfers and some adjustments instead of coming back at the end of the year. Laura agreed and said she has been telling the Department Heads that is how it is going to have to be, they're at least going to have a close estimate of what that purchase order will be. With FundView now, when she puts that in it shows how much of the budget is there and whether it can be an expenditure or not. Trustee Shearer said that they won't see this kind of stuff if they are encumbering it.

Item #9 on the Agenda: Discussion/Action – Approval of Resolution 2020-18– Authorizing Budgetary Adjustments and Revisions. (continued)

Laura agreed and said in the past when Shirley was doing Finance, when Dana was doing it, they were using the budget feature in QuickBooks and then that changed through Finance, a few that didn't want to use it or didn't know how. FundView is going to change that. There is no way to get around it, it's there, you see it, you pull it up, you know their beginning balance, you know their expenditures, you know where they are in the Budget and how much percentage is there. Laura said she has been letting them all know that they're encumbering now.

(Indiscernible)

Trustee Shearer said this is what comes up. (Indiscernible). Laura said yes. Megan can tell you, already being into FundView this month, big difference. Laura said she let all the Department Heads know they are going to have to start coming in with...Megan said with the estimate of how much it will be. Laura said at least an estimate if not the actual cost. Trustee Shearer said you just go over it a little bit, shoot a little high so you've got plenty in your encumbrance and you can release it. (Indiscernible) It will keep a lot tighter rein on it. (indiscernible) Laura said they agree with her. This is not fun.

Trustee Schmitz asked Bobbie what other things is she feeling that there (indiscernible). Trustee Shearer replied there are just lots of items, they are not staying within Budget. It kinda looks like when it hits the supplies, we plug them in afterwards. They've got some items that are just way over Budget and some items that are way under Budget. She realizes it's all coming out in the wash but that is not budgeting. They are setting a Budget and expecting these Departments to stay with in these items and if they are not staying within these items they need to know. Trustee Schmitz agreed and that she mentioned estimates to her because Budgets could be their estimates. Trustee Shearer agreed but as they go through the year and they translate to actual, if our estimates are off they don't want to find out on June 28th.

(indiscernible)

Trustee Johnson asked Laura if when they look at each fund, each code or is it like General Fund or Bottom Line? Laura asked if Trustee Johnson meant the State or FundView? Trustee Johnson clarified, say you went over \$2,000 in supplies, you don't have to do an adjustment unless your off the Bottom Line (indiscernible). Trustee Shearer said that then it's their job to know if they're not operating within the Budget. Laura agreed.

Trustee Johnson said if they do a PO and they're expended up to 75% then they need to say which line item in their Budget that's coming out of. The only thing, that these guys have more to do, they cannot, they don't understand well enough. Trustee Shearer replied she does not want to put this on the Department Heads, this is an administrative issue. Trustee Johnson said ok, but they're doing the POs, they're doing the purchasing, it's going to have to go...Laura said it would be the two of them working together and communicating. Trustee Johnson said they would take that and look at that. Laura said that is one nice thing about FundView. With QuickBooks, especially if your in the Budget the year before to build in QuickBooks, because you go to anything, Budget to Budget, Budget to Actual, Profit and Loss to Budget and Actual, it won't show you anything, so you don't know until you get, but FundView you got to come look at it, because it does, it cleans it all up, and it shows you line item by line item.

Trustee Shearer asked if they have everything moved over to FundView?

Item #9 on the Agenda: Discussion/Action – Approval of Resolution 2020-18– Authorizing Budgetary Adjustments and Revisions. (continued)

Megan replied yes and it will literally show her the breakdown of let's say we budget \$24,000 to a certain thing, it will break it down month by month and show \$2,000 per month or you can change it to \$4,000 this month, \$1,000 this month, and you can set it up, and she can pull it up. Laura said the Trustees should come look because for us this is a game changer. Trustee Shearer said yes because this is disturbing. Megan said its rough. Laura agreed. Trustee Shearer said ok, with that having been said she is willing to approve moving the money over to Street Department.

The Mayor asked if there was any more discussion?

Trustee Schmitz asked if they need to get this in by the 31st? Megan replied Yes. Trustee Schmitz asked if there are any big changes they need. Both Laura and someone else replied that this was just a Budget Adjustment. Someone said this is the Budget Adjustment and Revision (BAR). Laura said it's for the 4th Quarterly Report. Trustee Schmitz said she was just getting it all clarified. Someone said this is clean up of last year's. Trustee Schmitz replied ok, she's got it. The Mayor asked if there was more discussion?

The Mayor asked for a Roll Call. Laura said she needs a second. It was determined that Trustee Schmitz had seconded the motion. Roll Call: Trustee Shearer – yes, Trustee Schmitz – yes, Trustee Johnson – yes, Trustee Kearns – yes.

Item #10 on the Agenda: Discussion/Action – Approval of Resolution 2020-19 – Final Quarter Financial Report Year Ending June 30,2020.

Trustee Johnson moved Approval of Resolution 2020-19 – Final Quarter Financial Report Year Ending June 30, 2020. Trustee Shearer seconded the motion. The Mayor asked for Discussion. Trustee Shearer said she thought she was ahead of herself on that last discussion. Trustee Johnson said she looked at the Actuals vs Budget, other than the one on the Street Department, the \$37,000, they had raises mid-year, kinda mid-year, for Police and Administrative. She noticed those were over but that is explainable, not over enough to have to explain it but for us. Trustee Shearer said Police Salaries? Trustee Johnson replied, Yes, the Law Enforcement and then the Clerk, so anything, like, they were 170% expended, that was their raises and same with the PD. She thinks Ron got a raise in Parks and Rec.? Laura said yes, there were quite a few Merit Raises given last year.

(Indiscernible)

Laura continued, there was the mandatory minimum wage, cause that one does go in December so it's in effect in January. Laura said they did Merit Raises and those who didn't get Merit Raises got the Cost of Living at 5%.

Trustee Johnson said everything else looked pretty much in line except Revenues, of course Revenues are just extra bucks in there somewhere. The only thing you do is make sure you've adjusted for that, if it's going to be close to the same the following year. Laura said they're really estimating low for Small Cities Assistance this year. Someone said yes, they're going to have a hard time with that. Laura Agreed and said that one is so off the wall every year anyway.

Trustee Johnson said everything looked good to her, she went through it, that's not saying a whole lot.

(Indiscernible)

Trustee Schmitz asked Laura and Megan if everything that (indiscernible) for the book keeping and stuff, have we put into the new system now or is it still on.... Megan replied, Yes. Laura said once the Trustees approve it, it will go in. (Indiscernible).

Item #10 on the Agenda: Discussion/Action – Approval of Resolution 2020-19 – Final Quarter Financial Report Year Ending June 30,2020. (continued)

Laura continued, then it fills in everything for the Budget for her on the accounting so that it starts tracking everything we've done in July against what is approved in the Budget. Megan said it will be able to give us..(Indiscernible). Laura said the first time she saw that, Trustee Shearer, she was pretty happy. (Indiscernible) Trustee Shearer said she was going to be happy when she sees it. Laura said she thought they were all going to be happy. They've been waiting six months to get going on FundView because they knew the difference it would make.

The Mayor closed Discussion and asked for a Roll Call. Roll Call: Trustee Johnson – yes, Trustee Shearer – yes, Trustee Kearns -yes, Trustee Schmitz – yes.

Item #11 on the Agenda: Discussion/Action – Approval of Resolution 2020-20 – Budget Adoption Fiscal Year 2020-2021

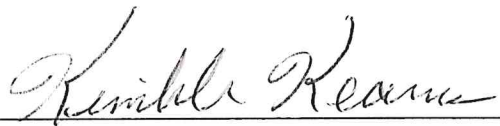
Trustee Shearer moved Approval of Resolution 2020-20 – Budget Adoption Fiscal Year 2020-2021 for discussion. Trustee Johnson seconded the motion. Trustee Shearer asked if they (indiscernible) another employee under Smokey Bear Enterprise Fund? Megan replied that they had to raise salaries because of the... Laura said minimum wage. Megan continued, law. Trustee Shearer asked, so they went from \$17,000 to \$31? Laura asked what? (Indiscernible). Trustee Shearer said regarding the Street Fund, they went ahead and put in the \$25,000 for the new Water Tanker, is that correct? Megan said, Yes, he says it is a necessity. Trustee Shearer said she agrees. Trustee Shearer said, then they put in \$10,000 in supplies for the coal minings and \$10,000 on Water for the coal minings, do they have the ability to go in and fund the balance of that? Johnathan said it would save a bunch of money over the year. Laura agreed that it would. Trustee Shearer said those two items are things that are going to cost a bunch if they don't (indiscernible) Trustee Shearer said she was wondering if there was a capital fund that they could move into and go ahead and fund that now? Laura replied, Yes. Trustee Shearer said that would be the only adjustment she would have, to go ahead bump that \$10,000 to 40. Megan said, Ok, then asked if it was on both sides? Trustee Shearer said no, still take 10, she doesn't want to take any more out of Steve's budget. Megan said, Ok. Trustee Shearer said although there going to move money out of Capital and put into the Street, based on what Johnathan said it's going to save money. Laura said it is insane to get that amount of material, that quality of material for the price of getting it here. Trustee Shearer said that he said the Water Truck is paper thin, it can't be welded anymore. Laura agreed saying it is so old. Trustee Shearer said that would be her only changes.

The Mayor asked for more discussion. The Mayor asked for a Roll Call. Roll Call: Trustee Shearer – yes, Trustee Johnson – yes, Trustee Schmitz – yes, Trustee Kearns – yes.

The Mayor call for a motion to Adjourn. Trustee Schmitz asked don't they need to sign stuff? (Indiscernible)

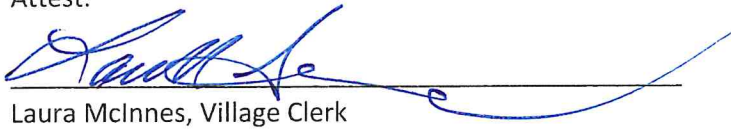
Adjournment

Mayor Lowrance Adjourned the meeting at 7:08 PM

A handwritten signature in blue ink, reading "Kimble Kearns", written over a horizontal line.

Kimble Kearns, Mayor Pro Tem,
Village of Capitán

Attest:

A handwritten signature in blue ink, reading "Laura McInnes", written over a horizontal line.

Laura McInnes, Village Clerk

Special Meeting
Via Telephone Conference

6:30 PM

[illegible]